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The Progressive Farmer.

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THE COTTON SITUATION.

Secretary Parker Regards the Bonded Warehouse System as the Best Means of Obtaining Bigger and Steadier Prices—A Word About the St. Louis Meeting.

Editors Progressive Farmer:

The cotton crop and the marketing of the same are now interesting topics alike to the farmer, the manufacturer, and the speculator.

It is very evident that for the last several months there has been a determined and concerted effort to "bear" the cotton market. All signs point to that as plainly as the finger board on a mile post does to the destination of the road.

The cotton mill men of the South, generally, have been the natural enemies of high prices for cotton—and not, under former conditions, without some degree of justification. Their capacity to manufacture was limited and their products have not been established in many of the world's best markets. For them to have stocked their warehouses with high-priced cotton and see the surplus go to their Northern and foreign competitors at a reduced price, would have been courting disaster and ruin. The situation to them, especially for the past year, has been exceedingly perplexing. Their capital was invested in machinery, supplies, etc., and to lie idle meant loss. On the other hand, to buy exceptionally high-priced cotton, not being able to even guess at the size and price of next year's cotton crop, might mean still greater loss. So indeed they were in an unenviable position, and the only thing in sight for them was to fight down high prices, which they have done as faithfully as any one could have wished for.

MANUFACTURER NEEDS, NOT LOW PRICES, BUT STEADY PRICES.

But the conditions which first faced the farmers, a few years ago, and later, the manufacturers, have put all hands to thinking, and from their research will evolve a plan or method by which both producers and consumers will be benefited.

The cotton manufacturer does not need low-priced cotton but he does need steady priced cotton. With steady prices he has something to base a calculation on and knows just what he is doing. With steady prices the buyers of his products will know what to do and will keep on hand a stock sufficiently large to meet his demands. And the farmer, too, is much better off with a steady price, carrying with it a fair profit, than to have the extremes in prices that he has experienced within the last few years.

But these years of experience with the barometer in price marking very high and then very low, have been productive of a not unmixed evil. Thinking business men have been studying the situation and think they can see in the cotton crop of the South even greater possibilities than most of us have dreamed of. But to bring out these

possibilities there must be harmony between the producers and consumers, or rather between the farmers and the cotton mill men.

THE WAREHOUSE SYSTEM EXPLAINED.

The most feasible plan, in my opinion, for this that has yet been suggested is the bonded warehouse system. By this plan the promoters claim (and not without a show of justification) that the prices of cotton can be more steadily maintained by marketing the cotton crop only as the trade requires it, and withhold from the market any surplus that may accrue until a short crop will cause a demand for it. This, it seems to me, would be an ideal condition. When we think of the crop in 1898 of 11,270,000 bales selling for \$325,000,000, and last year a crop of about 10,000,000 bales selling for twice as much, we can readily understand what a mill stone around the cotton farmer's neck is a surplus of a million bales.

If we can eliminate that surplus or keep it off the market the question that confronts and most concerns the cotton farmer will be immediately solved. This is just the thing the promoters of the warehouse system propose to do. They propose to do it in this way: The man who must have money to meet his obligations can carry his cotton to one of these warehouses, have the cotton weighed and graded and get a receipt for it upon which he can get money at the bank to meet his obligations without throwing the cotton on the market. Of course, if prices are all right and to his liking, he need not take his cotton to the warehouse at all, but sell it on the open market. And also if he is in position to hold the cotton himself, he need not take it to one of these bonded warehouses, but store it on his own premises, if he so desires.

By this system, it is claimed, the speculator will be largely eliminated and the "bears" who have been pulling the prices of cotton down, will have to seek cooler climes for their operations.

OUTLOOK FOR CONTINUED GOOD PRICES.

As a matter of course if the better prices that cotton would bring under this system of selling were to run our people cotton crazy, and they were to persist in making more cotton than the trade could consume, there would of necessity be a drop in prices. That would be inevitable, but it would not be the spasmodic fluctuations that we now see, but a gradual decline until a reaction was brought about.

However, that is hardly probable for some time to come at least. In our new possessions, the Philippine Islands, we have acquired several millions of inhabitants, the most of whom, according to the pictures we have seen, show the need of a new suit of clothes without much delay. And as our soldiers who have been there for the last few years civilizing them wore uniforms from cotton cloth, it is but natural that the citizens of those islands will also adopt cotton cloth for their clothing. Those islands alone should develop a great market for Southern cotton. And as civilization advances there and elsewhere, the market for cotton goods will increase, in all probability, to the capacity of our production. Even here where the cotton is grown, the demand for cotton

goods is increasing. There are more pounds of cotton consumed per capita among our own people now than there were twenty or thirty years ago, and the consumption increases annually. It will be so all over the world. As the people advance in enlightenment the consumption of cotton will increase; therefore with prudence, we need not look for any great surplus in our cotton crop for some time to come. And with the warehouse system a surplus could be carried in all probability until a partial failure in the crop would create a demand for it.

THE ST. LOUIS MEETING.

There will be a Southern Cotton Farmers' Convention held at St. Louis September 26th at which farmers and others interested in maintaining good prices for cotton will discuss this and other plans for that purpose. In a letter just received from Mr. Harvie Jordan, President of the Cotton Growers' Protective Association, he states that the attendance at that Convention will be large. Texas alone is expected to be represented by 600 delegates, Georgia with 200, North Carolina and Alabama 200 each, and large delegations from the other cotton growing States. Much interest is manifested, and it is thought by some that the present advance in cotton may be due in part to the fact the cotton farmers are to meet at that time to try to get better prices for the incoming crop than that cotton-buying world has been promising them.

It will be well for the readers of The Progressive Farmer, and in fact, all cotton farmers, to keep in touch with this movement. It may mean much for them.

T. B. PARKER.

Wake Co., N. C.

The Progressive Farmer has thousands of readers who are interested in strawberry growing. To all such we commend Farmers' Bulletin No. 198, "Strawberries," just published by the United States Department of Agriculture. A postal card request will bring you a copy free. The bulletin comprises twenty-four pages and is very effectively illustrated.

Delegates to the St. Louis Convention should observe that the meeting is to be held Monday, September 26th, not Tuesday, 27th, as first announced.

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